

Goal Two: Protect market users and the public.

Total FY 2002 Budget:	\$28,284,000	194 FTEs
Total Change from FY 2001:	\$ 1,146,000	-21 FTEs

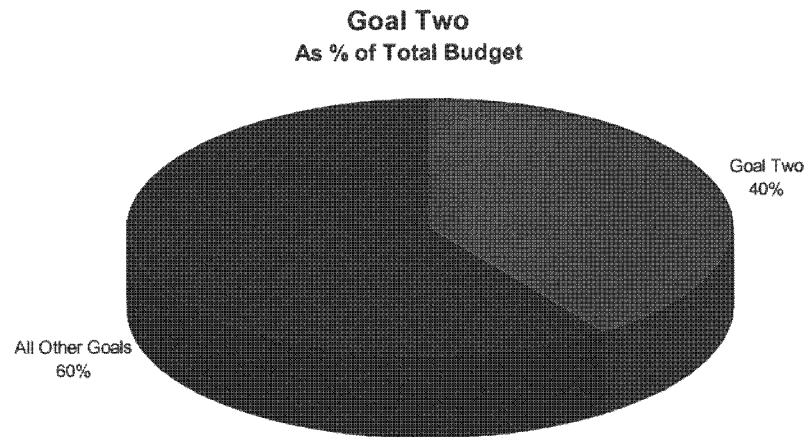


Figure 6: Goal Two – As Percentage of Total Budget

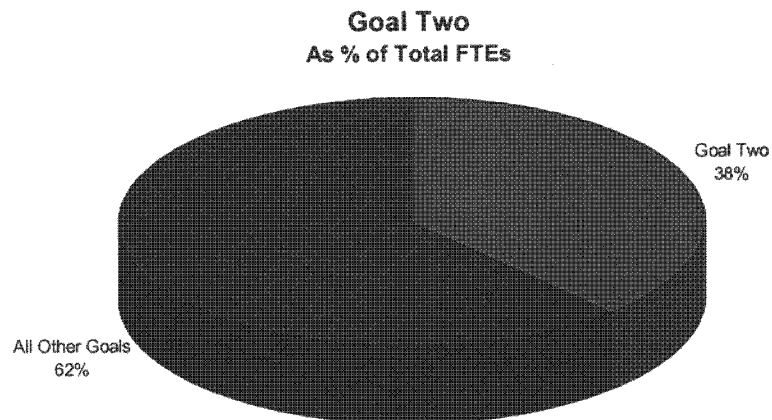


Figure 7: Goal Two – As Percentage of Total FTEs

Goal Two: Protect market users and the public.	
Outcome Objective	Activity
1. Promote compliance with and deter violations of federal commodities laws.	<ol style="list-style-type: none"> 1. Identify and investigate possible fraudulent and other illegal activities relating to the commodity futures and option markets and their registrants. 2. Bring injunctive actions, including using "quick-strike" efforts to protect assets and to stop egregious conduct. 3. Bring administrative cases involving fraud and other violations. 4. Hear administrative cases. 5. Sanction violators in injunctive actions and administrative action cases. 6. Inform the public and the industry concerning allegations of wrongdoing and associated legal actions, including through publications and through Commission orders and reports describing the alleged violations and the Commission's legal and policy analysis. 7. Collect sanctions and civil monetary penalties against violators. 8. Cooperate with the exchanges, the National Futures Association, other federal agencies, state governments and law enforcement entities, and foreign authorities to gain information for law enforcement purposes and to provide enforcement assistance as necessary and appropriate. 9. Monitor the Internet and other communication media for fraudulent activities and other possible violations of the Act. 10. Resolve appeals in administrative enforcement matters and self-regulatory organization adjudicatory actions.
2. Require commodities professionals to meet high standards.	<ol style="list-style-type: none"> 1. Oversee the National Futures Association registration program including testing, licensing, and ethics training for commodities professionals. 2. Oversee NFA's document disclosure review program. 3. Investigate and bring administrative registration cases arising out of alleged statutory disqualification and obtain suspensions, revocations, conditions, or restrictions of registration.
3. Provide a forum for effectively and expeditiously handling customer complaints against persons or firms registered under the Act.	<ol style="list-style-type: none"> 1. Provide a reparations program for commodities market users to make claims relating to violations of the Act.

Goal Two: FY 2001 and FY 2002 Plan by Program

Trading & Markets

Fitness Oversight

The Trading and Markets program staff will oversee the NFA fitness review program (registration) through formal reviews of the program, informal staff contacts, and meetings of the RWG. The Trading and Markets program will work with other Commission staff to provide input to NFA on the redesign of the Clearinghouse of Disciplinary Information (to be renamed Background Affiliation Status Information Center, or BASIC), as well as on the overhaul of the NFA registration database, including new registration forms and a transition to a "paperless" registration system.

As the pace of technological change quickens, Trading and Markets program staff will review rules and other guidance provided to the industry to ensure that customer and marketplace protections are maintained and enhanced. Working with industry groups, the staff will develop appropriate changes in the minimum financial requirements and related reporting requirements. In connection with such efforts, the staff will modify oversight programs to conform to any changes in the way market and credit risk are assessed pursuant to the relevant capital rules. Staff will continue to examine firms' risk assessment and internal control oversight programs.

Ensuring that Assessed Penalties Are Collected

The Trading and Markets program will collect civil monetary penalties assessed in Commission cases and may turn over to the US Treasury delinquent debts for cross-servicing, administrative offsets, and wage garnishments in accordance with both the Debt Collection Improvement Act of 1996 and the letter of agreement entered into between the Commission and the US Treasury. The Commission may also, in appropriate cases, continue to refer delinquent debts directly to the DOJ to enforce collection. The Trading and Markets program will monitor the progress of each such case. Prior to the end of FY 2002, the Trading and Markets program anticipates transferring this function to the Division of Enforcement.

Managed Funds and Sales Practice Oversight

The Trading and Markets program staff will continue to address special issues posed by hedge funds, including potential systemic risks posed by such funds at times of market volatility. The staff will also continue to directly review the Disclosure Documents of publicly offered commodity pools. Staff will conduct oversight reviews of regulatory programs conducted by NFA. Staff will review the NFA program for review of CPO and CTA Disclosure Documents provided to potential investors and clients by CPOs and CTAs. Further, on a more limited basis, as part of its oversight of NFA's audit program, Trading and Markets will conduct periodic reviews of NFA's audit programs for CPOs and CTAs as well as NFA's programs for FCMs, IBs, and branch offices. In this regard, Trading and

Markets staff will conduct horizontal reviews across SRO programs to test selected program elements. This selected testing is designed to address critical elements of SRO programs and is used as an indicator of the overall quality of SRO programs. Such testing will have to be limited due to the constraints of fewer staff available to perform this and other subprogram functions.

Trading and Markets staff will be required to develop procedures to review the self-regulatory programs of new electronic markets, particularly the marketing, disclosure and reporting compliance programs of such markets. This will be added to the current oversight of existing exchange compliance programs. The staff will conduct selected FCM, CPO, CTA, and IB audits to test self-regulatory programs. The staff also will conduct examinations on behalf of the Enforcement program and provide technical assistance to the Enforcement program as needed. New responsibilities imposed by the CFMA combined with the decreased staffing will cause a decrease in the number and depth of audits that staff will be able to conduct.

Trading and Markets staff will continue to review all customer complaints received by the Commission as part of the effort to determine if customer protection issues arise in connection with new markets and new products offered on new and existing markets. Staff will continue to confer periodically with NFA on marketing issues. In this regard, such coordination may become more critical in the event NFA takes on additional audit responsibilities for existing and new exchanges.

Enforcement

Because the primary areas of concentration of the Enforcement program have remained consistent over the past several years, the program expects to commit the majority of its resources to investigating and litigating cases involving fraud to protect market users and the public from abuses in these areas.

While it is difficult to project what new issues or trends will arise that will require an enforcement response, certain current factors are likely to be indicative of future resource needs, such as continued industry growth, the development of technology that allows more complicated trading strategies and enhanced ease of access to a wider customer base through mass media, the increased volume of pooled and managed money flowing into the industry, and the recent statutory clarification of the Commission's jurisdiction with respect to foreign currency cases.

With the volume of investment dollars flowing to pooled and managed funds, the Commission continues to pursue numerous cases involving unregistered CTAs, CPOs, and FCMs engaged in fraudulent conduct. For example, during FY 2000, the Commission filed a number of actions alleging fraud in the solicitation and/or management of pooled customer funds. See, e.g., *In re Velissaris*, CFTC Docket No. 00-02 (CFTC filed Dec. 16, 1999); *In re Kim, et al.*, CFTC Docket No. 00-24 (CFTC filed June 29, 2000); *CFTC v. Dormagen, et al.*, No. 6:00-0567 (S.D.W.Va. filed July 3, 2000); *In re Billings, et al.*, CFTC Docket No. 00-25 (CFTC filed July 17, 2000); and *FTC v. Pension America, Inc., et al.*, No. 00-2071 RHK/SRN (D.Minn. filed Sept. 6, 2000). See also quick-strike cases described be-

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low. The Commission also filed cases involving allegations of fraudulent advertising for commodity futures and option-based trading systems and advisory services on radio, television, and the Internet. See "Internet Project Cases" on page 201 of Goal Two of the FY 2000 Annual Performance Report for a description of these actions.

In FY 2001 and FY 2002, the Enforcement program anticipates that staff will devote increasing attention to cases in which defendants use mass media to reach broad cross-sections of the general public, including unsophisticated investors. The Enforcement program in the past has pursued cases involving solicitation fraud, including false advertising, but the fact patterns in these cases continue to evolve and grow increasingly complex. Moreover, with the increased use of mass media, such as the Internet, such solicitations are reaching more retail customers than ever before.

Properly staffed, the Enforcement program is able rapidly to investigate and take injunctive action in quick-strike cases¹ without diverting staff from large, complex matters. Such quick-strike cases not only send a deterrent message, but they also provide the Commission with the opportunity to freeze assets and preserve books and records, whenever possible. During FY 2000, the Enforcement program brought four quick-strike cases: *CFTC v. Mobley, et al.*, No. 00 Civ. 1317 (RCC) (S.D.N.Y. filed Feb. 22, 2000); *CFTC v. Konkel*, No. 00-T-574-5 (M.D. Ala. filed May 1, 2000); *CFTC v. Ferguson, et al.*, No. 1:00-CV-0300 (N.D. Ind. filed July 11, 2000); and *CTC v. Brockbank, et al.*, No. 2:00CV00622ST (D. Utah filed Aug. 8, 2000).

In addition, the Commission moved expeditiously to remediate fraudulent conduct by filing nine administrative actions within four months of the opening of the related investigation: *In re Coleman*, CFTC Docket No. 00-16 (CFTC filed May 1, 2000); *In re Lavender*, CFTC Docket No. 00-23 (CFTC filed June 29, 2000); *In re Oasis Publishing Corp., et al.*, CFTC Docket No. 00-09 (CFTC filed May 1, 2000); *In re Reily*, CFTC Docket No. 00-11 (CFTC filed May 1, 2000); *In re Salter*, CFTC Docket No. 00-18 (CFTC filed May 1, 2000); *In re Schoemmell, et al.*, CFTC Docket No. 00-10 (CFTC filed May 1, 2000); *In re Taybi*, CFTC Docket No. 00-12 (CFTC filed May 1, 2000); *In re Trendy Systems, LLC, et al.*, CFTC Docket No. 00-15 (CFTC filed May 1, 2000); and *In re Int'l Trading Systems, Ltd., et al.*, CFTC Docket No. 00-28 (CFTC filed Sept. 6, 2000).

The Commission expects an increase in its activity in matters involving illegal futures and option contracts not traded on trading facilities designated or registered by the Commission. During FY 2000, the Commission filed two enforcement actions in this program area: *CFTC v. IBS, Inc., et al.*, No. 3:00 CV 103-V (W.D.N.C. filed Mar. 13, 2000); and *CFTC v. Nat'l Bullion and Coin, Inc., et al.*, No. 00-6885 CIV-ZLOCH (S.D. Fla. filed June 28, 2000). With respect to foreign currency cases, the so-called Treasury Amendment² previously had affected the Commission's ability

¹ "Quick-strike" cases are anti-fraud civil injunctive enforcement actions filed by the Commission within four months of the opening of the related investigation.

² The Treasury Amendment excluded, among other things, certain OTC foreign currency transactions from Commission regulation.

to bring off-exchange foreign currency cases in certain circuits.³ The CFMA, however, which was signed into law on December 21, 2000, amended the CEA to clarify the Commission's jurisdiction over retail foreign currency transactions. In light of this recent legislation, the Commission anticipates that it will commit more substantial resources to the increasingly pervasive fraudulent sale of illegal, off-exchange foreign currency contracts to retail customers.

The Commission is dedicated to maintaining both its domestic and international cooperative enforcement activities. The relationships that the Enforcement program has forged with federal, state, and local authorities are invaluable to the efforts of the Commission to fulfill its mission. The Enforcement program also fully expects that its investigations will continue to require assistance from foreign authorities. The Commission has entered into formal cooperative enforcement arrangements with more than a dozen foreign authorities, and continues to negotiate additional arrangements as authorities obtain comprehensive investigatory powers. Much of the international work can be labor-intensive given differences in language and regulatory schemes; similarly, effective domestic cooperative enforcement requires that strong relationships be built over time.

Finally, the Enforcement program expects the amount of staff time and resources devoted to SD investigations and cases in FY 2001 and FY 2002 to remain steady. Late in FY 1997, the Commission delegated to the NFA the authority to take registration actions against FBs and FTs consistent with Commission guidance. Looking forward to FY 2001 and FY 2002, the Enforcement program expects that it will continue to investigate and prosecute certain significant SD matters, as well as disqualifications that are related to matters previously prosecuted by the Commission.

Office of Proceedings

During FY 2001, commodity futures and option markets continued to expand into new areas, and the volume of trading grew. However, the number of filings declined and are expected to be 112 in FY 2001 and FY 2002.

³ Nonetheless, in FY 2000 the Commission obtained successful results in this area in other jurisdictions, and also worked cooperatively with other authorities to protect the public. See, e.g., *CFTC v. Noble Wealth Data Information Services, Inc., et al.*, No. PJM 98-3316, Default Order Of Permanent Injunction And Final Judgment (D. Md. entered Oct. 27, 1999); *CFTC v. Noble Wealth Data Information Services, Inc., et al.*, No. PJM 98-3316, Opinion and Order (D. Md. entered March 20, 2000); *In re Global Currencies, et al.*, CFTC Docket No. 97-13, Order Making Findings And Imposing Remedial Sanctions (CFTC entered Feb. 4, 2000); and *In re Global Currencies, et al.*, CFTC Docket No. 97-13, Order of Default (CFTC entered Feb. 8, 2000).

Office of the General Counsel

Deterring Fraud and Other Illegal Activities

The Office of the General Counsel will continue to review all enforcement recommendations involving the initiation and conduct of investigations, injunctive actions, and administrative proceedings involving fraud and other violations to assure their legal sufficiency and their conformance with general Commission policy and precedent. In addition, the Office of the General Counsel will continue to assist the Commission in the performance of its adjudication, litigation, *amicus curiae*, and bankruptcy functions.

Requiring Commodity Professionals to Meet High Standards

The Office of the General Counsel will continue to support Commission oversight of the NFA program by reviewing SD cases referred to the Commission by the NFA, by reviewing the Commission's delegation of registration authority to the NFA, and by participating in the RWG.

Providing a Forum for Handling Customer Complaints Against Registrants

The Office of the General Counsel will continue to assist the Commission in resolving appeals from initial decisions in reparation cases and will represent the Commission when its reparation decisions are appealed to the US Courts of Appeals.

Executive Direction & Support

Administrative Management & Support

In FY 2001, the EMC chartered an IPT to manage the acquisition of a commercial litigation support system to enhance the productivity of the Enforcement program, including related requirements of other program offices such as the Reparations program. Implementation is expected during FY 2002 and FY 2003.

In FY 2001, the EMC initiated a project to replace the document imaging system used to support the Reparations program. After an alternative is selected, implementation will be scheduled based on funding and staff availability.

Support Strategies to Address Goal Two Management Challenges

Goal Two: Support Issue/Management Challenge #1

Recruit and retain a critical cadre of versatile attorneys to handle the Commission's diverse complex legal issues.

Support Strategy

The Office of the General Counsel conducts on-campus interviews at law schools throughout the country and works with OHR to advertise positions through the Internet and various government and legal publications as jobs become available. The Office of the General Counsel participates in the Commission's Summer Intern Program as well, through which talented second-year law students gain exposure to government agency practice and through which the Commission is assisted in its recruitment efforts. The Office of the General Counsel offers its newly hired attorneys opportunities throughout the year to participate in both private and government-sponsored continuing legal education programs and to attend industry seminars and conferences, such as the Annual Derivatives & Commodities Law Program, sponsored by the Chicago-Kent College of Law, and the Annual Law and Compliance Workshop, sponsored by the NFA. In addition, the Office of the General Counsel offers flexible work schedules and other non-monetary incentives for retaining legal and support personnel. Nevertheless, the Commission's recruitment and retention efforts would benefit if its compensation structure were somewhat more competitive with that of the nonfederal sector.

Goal Two: Support Issue/Management Challenge #2

Improve data reporting and data collection methods to ensure compliance with the Government Performance and Results Act of 1993 without placing unnecessary administrative burdens on professional staff.

Support Strategy

A continuing challenge faced by the Enforcement program concerns its efforts to collect, organize, and access program data in a manner that both provides professional staff with information useful to investigative and litigation efforts and provides the Commission and others with a meaningful index to the program's activities and accomplishments. Counterbalanced against this challenge is the program's desire to minimize administrative burdens for professional staff whose primary activity must be the investigation and prosecution of actions against those who violate the Act and Commission regulations. Accordingly, the Enforcement program and the Commission's OIRM have embarked on a multifaceted project to upgrade and consolidate several of the program's essential data gathering and record-keeping systems. The bundle of projects is referred to as the Enforcement Modernization Project (EMP).

During FY 2000, the Commission conducted extensive market research and issued a request for proposals with respect to Phase Three of the EMP, which contemplates the solicitation, selection, and implementation of a commercial software application able to perform three functions: 1)

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case management, workflow, and reporting, which will provide the Enforcement program with a centralized relational database that will allow the tracking of all enforcement activity including the ability to create and monitor progress on investigation, discovery, and litigation plans, and that also will give the Enforcement program the ability to extract data from the system to more effectively meet its various reporting obligations; 2) document management, which will allow the Enforcement program to capture, store, and index electronic copies of all documents obtained in the course of investigations and litigation so that Enforcement staff may have quick and efficient access to them through the Commission's personal computers; and 3) litigation support, which will provide Enforcement staff with tools to simplify core litigation tasks such as locating, organizing, and categorizing witness statements and document information, and to more efficiently prepare case plans and witness profiles for use in taking testimony and at trial. The submitted proposals did not meet the Commission's requirements. In FY 2001, with the establishment of a formal information technology capital investment process, the Executive Management Council, CFTC senior business managers, chartered an Integrated Project Team (IPT) to validate the Phase III requirements of the EMP and to also consider similar requirements from other lines of business.

Goal Two: Support Issue/Management Challenge #3

Improve staff access to internal procedures and practices.

Support Strategy

The Enforcement program has undertaken an effort to create a single, unified procedures manual and to provide the manual electronically to all staff. To address this issue, the Enforcement program formed a task force that developed a comprehensive and user-friendly electronic procedures manual that provides program staff with guidance in all areas of the program. In FY 2000, the manual was completed and made available on-line to Enforcement program staff nationwide. It includes a comprehensive outline of information critical to the Enforcement program with hyperlinks to instruction materials, related statutes, and relevant authorities. The procedures manual will be updated regularly to maximize its usefulness to program staff and to ensure its timeliness.

Working Relationships in Support of Goal Two

National Futures Association

The CEA authorizes the Commission to delegate registration functions to the NFA and requires that the NFA perform certain regulatory functions. NFA is the principal direct regulator, under Commission oversight, of those industry professionals who are not members of another SRO. The statutory structure is designed to promote a partnership between NFA and the CFTC to assure high standards for industry professionals.

NFA monitors registrants for compliance with the CEA and rules promulgated thereunder. NFA also monitors activities of NFA members registered as CPOs, CTAs, IBs, FCMs that are not members of a futures exchange, as well as APs of any of the foregoing. The Commission oversees the NFA registration program through frequent contacts with NFA staff members on specific matters and through formal reviews by the Commission of NFA programs. A Registration Working Group, comprised of CFTC and NFA staff, meets quarterly to discuss issues of mutual interest concerning registration.

The Commission has delegated to NFA functions related to:

- Monitoring ethics activities of registrants;
- Monitoring the payment of restitution to customers pursuant to multi-year payment plans in certain enforcement actions.
- Reviewing applications of individual foreign firms for an exemption from registration;
- Reviewing CPO and CTA disclosure documents; and
- Collecting, processing, and maintaining Regulation 9.11 notices submitted by exchanges.

Joint activities include:

- On-going development of revised registration forms and a transition to a "paperless" registration system.

Domestic Cooperative Efforts with Law Enforcement and Regulatory Authorities

Task forces and working group designed to keep market participants abreast of new developments in financial crimes and to coordinate governmental responses.

International Organization of Securities Commissions (IOSCO)

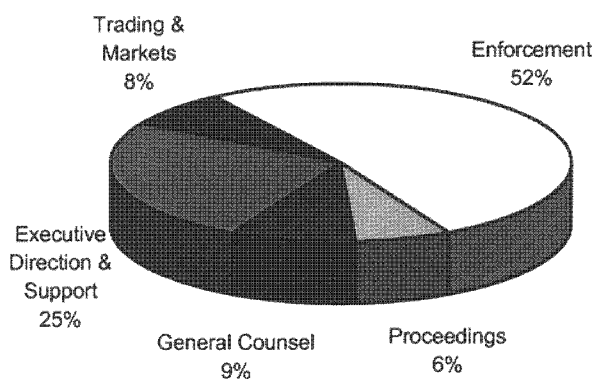
Provides vehicle for exchanging information and expertise among regulatory authorities for the supervision of world securities and derivatives markets, to establish standards of best practices, ensure market integrity, and promote effective supervision. Work conducted through working parties, such as a working party that specializes in enforcement, including cooperation between law enforcement and regulatory authorities and the detection, investigation, and prosecution of price manipulation.

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Table 3: Goal Two – Summary of Request by Program

	FY 2001		FY 2002		CHANGE	
	\$ (000)	FTE	\$ (000)	FTE	\$ (000)	FTE
Market Surveillance, Analysis, & Research	\$0	0	\$0	0	\$0	0
Trading & Markets	2,105	18	2,124	15	\$20	-3
Enforcement	13,668	109	14,567	101	\$900	-8
Proceedings	2,062	18	1,827	14	-\$235	-4
General Counsel	2,532	18	2,575	16	\$43	-2
Executive Direction & Support	6,773	52	7,191	48	\$418	-4
TOTAL:	\$27,138	215	\$28,284	194	\$1,146	-21

Figure 8: Goal Two – FY 2002 Budget Dollars by Program



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Table 4: Goal Two – Summary of Request by Outcome Objective

	FY 2001		FY 2002		CHANGE	
	\$ (000)	FTE	\$ (000)	FTE	\$ (000)	FTE
GOAL TWO: Protect markets users and the public.						
Outcome Objectives						
2.1 Promote compliance with and deter violations of federal commodities laws.	\$ 22,624	178.52	\$ 23,447	160.61	\$823	-17.91
2.2 Require commodities professionals to meet high standards.	\$ 2,237	18.15	\$ 2,461	17.11	223	-1.04
2.3 Provide a forum for effectively and expeditiously handling customer complaints against persons or firms registered under the Act.	\$ 2,276	18.44	\$ 2,376	16.75	99	-1.70
Total Goal Two	\$27,138	215.11	\$28,284	194.47	\$1,146	-20.64

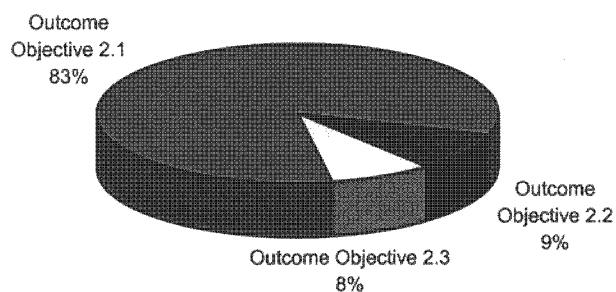


Figure 9: Goal Two – FY 2002 Budget Dollars by Outcome Objective

Ranking of Goal Two Activities

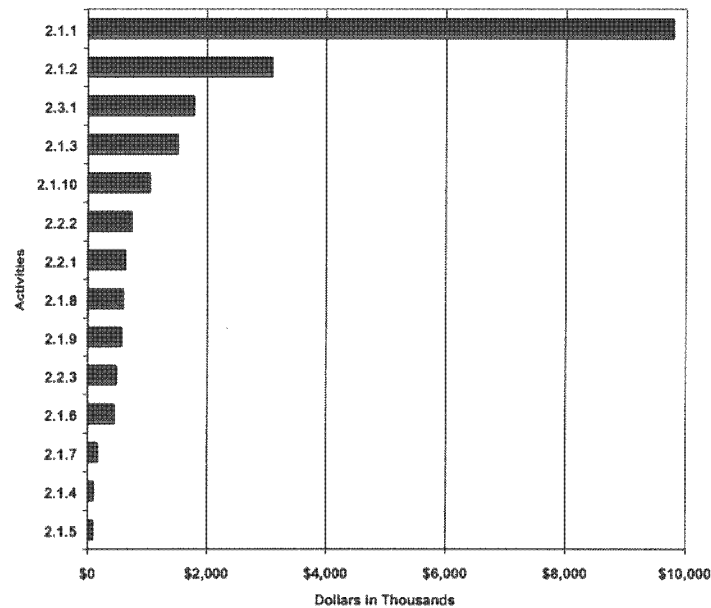


Figure 10: Ranking of Goal Two Activities

- **Activity 2.1.1:** Identify and investigate possible fraudulent and other illegal activities relating to the commodity futures and option markets and their registrants.
- **Activity 2.1.2:** Bring injunctive actions, including using "quick-strike" efforts to protect assets and to stop egregious conduct.
- **Activity 2.3.1:** Provide a reparations program for commodities market users to make claims relating to violations of the Act.
- **Activity 2.1.3:** Bring administrative cases involving fraud and other violations.
- **Activity 2.1.10:** Resolve appeals in administrative enforcement matters and self-regulatory organization adjudicatory actions.
- **Activity 2.2.2:** Oversee NFA's document disclosure review program.
- **Activity 2.2.1:** Oversee the National Futures Association registration program including testing, licensing, and ethics training for commodities professionals.
- **Activity 2.1.8:** Cooperate with the exchanges, the National Futures Association, and other federal agencies, state governments, and law enforcement entities, and foreign authorities to gain information for law enforcement purposes and to provide enforcement assistance as necessary and appropriate.
- **Activity 2.1.9:** Monitor the Internet and other communications media for fraudulent activities and possible violations of the Act.
- **Activity 2.2.3:** Investigate and bring administrative registration cases arising out of alleged statutory disqualification, and obtain suspensions, revocations, conditions, or restrictions of registration.
- **Activity 2.1.6:** Inform the public and the industry concerning allegations of wrongdoing and associated legal actions, including through publications and through Commission orders and reports describing the alleged violations and the Commission's legal and policy analysis.
- **Activity 2.1.7:** Collect sanctions and civil monetary penalties against violators.
- **Activity 2.1.4:** Hear administrative cases.
- **Activity 2.1.5:** Sanction violators.

Summary of Annual Performance Targets

Goal Two								
Protect market users and the public.								
Outcome Objective 2.1								
Promote compliance with and deter violations of federal commodities laws.								
Annual Performance Goal								
All known possible wrongdoing identified and investigated. All violators brought to justice.								
Activity/Strategy	Output Measure 1/	FY00 Actual	FY01	FY02	Outcome Measure 1/	FY00 Actual	FY01	FY02
1. Identify and investigate possible fraudulent and other illegal activities relating to the commodity futures and option markets and their registrants.	Number of such investigations opened during the fiscal year.	103	135	100	Of all such investigations closed or resulting in actions during the fiscal year, percentage of such investigations closed or resulting in CFTC enforcement action within one year of opening.	53%	53%	53%
	Total number of such investigations closed or resulting in CFTC enforcement action during the fiscal year	157	145	110				
	Number of such investigations closed or resulting in CFTC enforcement action within one year of opening.	83	77	58	Of all CFTC enforcement investigations pending at the close of the fiscal year, percentage of such investigations.	59%	58%	56%
	Number of such investigations pending at the close of the fiscal year.	79	80	80				
2. Bring injunctive actions, including using "quick-strike" efforts to protect assets and to stop egregious conduct.	Number of such injunctive actions filed using "quick-strike" procedures.	4	4	4	Of the total number of such injunctive actions filed during the fiscal year, percentage of quick strike actions.	33%	36%	36%
	Total number of such injunctive actions filed during the fiscal year.	12	11	11				
	Number of such injunctive actions completed during the fiscal year.	17	12	11				
	Number of such injunctive actions pending at the close of the fiscal year.	40	39	39				
3. Bring administrative cases involving fraud and other violations.	Number of administrative cases filed.	33	22	21	Of all such cases filed during the fiscal year, percentage of such administrative cases filed within one year of the investigation opening.	51%	50%	52%
	Number of such administrative cases filed within one year of opening the related investigation.	17	11	11				
	Number of such administrative cases completed during the fiscal year.	43	22	21	Of all CFTC enforcement cases pending at the close of the fiscal year, percentage of such injunctive and administrative cases pending.	50%	49%	50%
	Number of such administrative cases pending the close of the fiscal year.	22	22	22				
4. Hear administrative cases.	Number of administrative cases heard during the fiscal year.	34	30	23	—	—	—	—
5. Sanction violators in injunctive actions and administrative cases.	Number of statutory restraining orders obtained.	6	6	6	Percentage of cases closed during the year that resulted in sanctions.	98%	98%	98%
	Number of preliminary Injunctions obtained.	11	8	7				
	Number of permanent injunctions obtained.	23	20	19				
	Amount of disgorgement and restitution granted.	\$159m	\$60M	\$60M				
	Amount of civil monetary penalties granted.	\$121M	\$65M	\$65M				
	Number of cease and desist orders obtained.	38	22	21				
	Number of requests for registration restrictions granted.	8	6	6				
	Number of requests for trading prohibitions granted.	14	10	10				
6. Inform the public and the industry of the reasons for the Commission's decisions concerning allegations of wrongdoing through published opinions describing the alleged violations and the Commission's legal and policy analysis.	Number of cases decided with published opinions.	8	11	10	Percentage of cases decided with published opinions.	73%	75%	75%
	Number of cases decided by orders of summary affirmance.	1	2	2	Percentage of cases decided with summary affirmance.	13%	15%	15%

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Outcome Objective 2.1 (continued) Promote compliance with and deter violations of federal commodities laws.								
Annual Performance Goal All known possible wrongdoing identified and investigated. All violators brought to justice.								
Activity/Strategy	Output Measure 1/ Actual	FY00	FY01	FY02	Outcome Measure 1/ Actual	FY00	FY01	FY02
7. Collect sanctions and civil monetary penalties against violators.	Amount of civil monetary penalty assessed.	\$134M	\$80M	\$80M	Percentage of assessed civil monetary penalties collected. 2/	2.4%	2.0%	2.0%
	Amount of civil monetary penalties collected.	\$3.2M	\$1.6M	\$1.6M				
8. Cooperate with the exchanges, the National Futures Association, other federal agencies, state governments and law enforcement entities, and foreign authorities to gain information for law enforcement purposes and to provide enforcement assistance as necessary and appropriate.	Number of enforcement investigations pending at any point during the fiscal year that involved cooperation with other authorities.	23	23	22	Of the total number of investigations that were open during the fiscal year, percentage of investigations that involved cooperation with other authorities.	7%	7%	15%
	Number of requests for assistance from foreign authorities.	23	23	23				
	Number of requests for assistance made to foreign authorities.	18	19	18				
9. Monitor the Internet and other communication media for fraudulent activities and other possible violations of the Act.	Number of preliminary investigation referrals generated from Internet and media monitoring.	62	62	62	Of total CFTC enforcement preliminary investigations, percentage of Internet and media monitoring preliminary investigation referrals.	46%	45%	43%
	Total number of CFTC enforcement preliminary investigations pending at the close of the fiscal year.	49	50	50				
10. Resolve appeals in administrative enforcement matters and self-regulatory organization adjudicatory actions.	Number of administrative enforcement appeal cases decided during the FY that were decided within six months.	5	3	2	Percentage of administrative enforcement appeals decided within six months.	50%	23%	21%
	Number of administrative enforcement appeals resolved.	10	13	12				
	Number of SRO adjudicatory action appeal cases decided during the FY that were decided within six months.	1	1	0				
	Number of SRO adjudicatory action appeals resolved.	4	3	2				

Outcome Objective 2.2 Require commodities professionals to meet high standards.								
Annual Performance Goal No unregistered, untested, and unlicensed commodity professionals.								
Activity/Strategy	Output Measure 1/ Actual	FY00	FY01	FY02	Outcome Measure 1/ Actual	FY00	FY01	FY02
1. Oversee the National Futures Association registration program including testing, licensing, and ethics training for commodities professionals.	Number of registered commodity professionals.	64,708	65,000	65,000	Percentage of professionals compliant with standards regarding testing, licensing, and ethics training.	96%	98%	98%
	Number of registrants compliant with standards regarding testing, licensing, and ethics training.	62,059	64,000	64,000				
	Number of CFTC-NFA Registration Working Group meetings.	4	4	4				
2. Oversee NFA's document disclosure review program.	Number of disclosure documents reviewed.	28	25	10	Percentage of deficient disclosure documents.	29%	20%	20%
	Number of deficiency letters issued.	8	5	2				
	Number of CPO and CTA review reports issued.	0	0	1				
	Number of CPO/CTA interpretations, advisories, and proposed rule changes.	1	5	3				

The low collection rate of civil monetary penalties during FY2000 is attributable to the fact that civil monetary penalties exceeding \$100,000,000 were imposed in injunctive matters and first became due during FY2000, mainly as a result of default proceedings against respondents that are no longer in business and/or cannot be located, including one penalty in the amount of \$90,000,000 that remained unpaid. Other factors that generally affect collections include: 1) the assessment of restitution and disgorgement, which has precedence over civil monetary penalties, is frequently made in injunctive matters; 2) debtors' lack of assets; and 3) debtors being barred from the industry, thus having no incentive to pay the penalty.

Annual Performance Plan

Outcome Objective 2.2 (continued) Require commodities professionals to meet high standards.								
Annual Performance Goal No unregistered, untested, and unlicensed commodity professionals.								
Activity/Strategy	Output Measure 1/	FY00 Actual	FY01	FY02	Outcome Measure 1/	FY00 Actual	FY01	FY02
3. Investigate and bring administrative registration cases arising out of alleged statutory disqualification and obtain suspensions, revocations, conditions, or restrictions of registration.	Number of statutory disqualification investigations opened during the fiscal year.	4	4	4	Of total number of such investigations closed or resulting in enforcement action during the fiscal year, percentage of statutory disqualification investigations closed or resulting in enforcement action within one year	62%	57%	67%
	Total number of statutory disqualification investigations closed or resulting in CFTC enforcement action during the fiscal year.	8	7	6	Statutory disqualification investigations as a percentage of all CFTC enforcement investigations pending at the close of the fiscal year.	2%	3%	4%
	Number of statutory disqualification investigations closed or resulting in CFTC enforcement action within one year of opening the investigation.	5	4	4	Of all such actions filed during the fiscal year, percentage of statutory disqualification actions filed within one year of the opening of the relevant investigation.	50%	40%	40%
	Number of statutory disqualification investigations pending at the close of the fiscal year.	3	4	5	Of all CFTC enforcement actions pending at the close of the fiscal year, percentage of statutory disqualification actions	4%	4%	4%
	Total number of statutory disqualification cases filed during the fiscal year.	6	5	5				
	Number of statutory disqualification actions filed within one year of the opening of the relevant investigation.	3	2	2				
	Number of statutory disqualification actions completed during the fiscal year.	11	5	5				
	Number of statutory disqualification actions pending at close of the fiscal year.	5	5	5				
	Number of respondents/ defendants against whom the CFTC's request for registration restrictions has been granted.	8	6	6				

Outcome Objective 2.3 Provide a forum for effectively and expeditiously handling customer complaints against persons or firms registered under the Act.								
Annual Performance Goal All customer complaints against persons or firms registered under the Act are resolved within one year from the date filed (does not include appeals).								
Activity/Strategy	Output Measure 1/	FY00 Actual	FY01	FY02	Outcome Measure 1/	FY00 Actual	FY01	FY02
1. Provide a reparations program for commodities market users to make claims relating to violations of the Act.	Number of reparations complaints filed.	125	112	112	Percentage of reparations complaints forwarded as cases.	82%	80%	80%
	Number of reparations complaints forwarded for hearing as cases.	102	100	100	Percentage of filed complaints resolved within one year of filing date.	60%	54%	54%
	Number of appeal cases decided during the fiscal year that were decided within six months.	2	2	2				
	Number of customer complaints resolved in fiscal year within one year of filing date.	93	70	70	Percentage of appeals resolved within six months.	7%	10%	13%
	Number of appeals resolved.	27	20	21				

1/ Many new output and outcome measures were developed during the FY 2002 budget formulation process. As such, new measurement data must be formulated. In cases where measurement data is not yet available, the acronym TBD, which stands for "to be determined," has been used in one, two, or all three fiscal year columns.